

Annual Report for Catella Avkastningsfond

1 January 2015 – 31 December 2015

Riksbank lowered its policy rate to -0.35 percent

Falling commodity prices and uncertainty about global growth contributed to the Riksbank's historic decision to lower its policy rate from 0 to -0.35 percent during the year.

The fund fell 0.44 percent after charges, and its risk level was low.

Swedish market rates at the short end of the yield curve fell as a result of the Riksbank's policy rate cut. Longer maturities have only moved marginally. The January-April period was stable in the corporate bond market. In May and June, volatility increased as the situation in Greece deteriorated. During August and September, the corporate bond market was affected by a general risk aversion, resulting in falling prices. Contributing factors to these falling prices were concerns about developments in China, expected tightening of US monetary policy and poor liquidity.

The maturity, measured as duration, has been kept relatively short, in the range 0.7-1 year. Both the Swedish Riksbank and the European Central Bank have warned of low interest rates during most of 2016. This, coupled with quantitative easing in the form of bond purchases in the open market, is likely to contribute to market rates remaining at unchanged low levels for the first half of 2016. There is potentially scope for rising market rates during the latter part of the year if growth picks up and commodity prices, especially oil, start to recover.

In light of this, the duration will continue to be kept relatively short through a large proportion of floating rate notes, which are not sensitive to rising market rates.

The Catella Avkastningsfond fund has long focused on enhancing the fund's returns through investments in fixed-income securities that yield more than conventional treasury bills, government bonds and mortgage bonds. Our assessment is that investment options like liquidity funds, money market funds and bond funds with longer maturity have more or less played out their role, given the current low interest rates. We strongly believe that corporate bonds will be well placed to generate better returns than government bonds over the next few years. The reason for this is their higher running yield and our belief in cautiously positive economic growth in Europe.

The largest contributors to the fund's performance were holdings in bonds issued by DnB, SEB, Svensk Exportkredit, Nykredit and AKER ASA. Subordinated bonds in banks generally had a good year, with a high level of running yield. Bonds issued by Vattenfall, Seadrill, Hemsö, TeliaSonera and Gjensidige had a negative impact on performance. Vattenfall had a tough year, with the downgrading of its credit rating, and Seadrill was hit hard by falling oil prices.

Large investments were made in Willhem, Svensk Fastighetsförmedling, Nykredit, Storebrand, Vattenfall, Exportfinans, Lifco, SBAB Bank, Leaseplan, Dong, Olav Thon, Hemsö, Pohjola Bank, Citycon and Länsförsäkringar Bank. Large net sales were made in, for example, Whilborgs, Securitas, NCC, DSV, SPP Liv, Meda, Rodamco, Electrolux, Förvaltnings AB Framtiden, Fabege, Skanska, Hufvudstaden and Intrum Justitia.

Currency fluctuations did not affect fund performance since all foreign exchange exposure is reduced through currency forwards.

Fundfacts

Fund manager: Magnus Nilsson

Unit value 126,61
 Number of unit holders..... 815
 Net fund assets (SEKm) 11 313

YIELD PAST YEAR

Catella Avkastningsfond-0.44%
 Benchmark index
 (50% OMRX TBill + 50% OMRX TBond).....-0.22%

AVERAGE ANNUAL YIELD

Past two years

Catella Avkastningsfond 0,88%
 Benchmark index
 (50% OMRX TBill + 50% OMRX TBond).....2.92%

Past five years

Catella Avkastningsfond 2.66%
 Benchmark index
 (50% OMRX TBill + 50% OMRX TBond).....2.64%

RISK

Catella Avkastningsfond 0,89%
 Benchmark index
 (50% OMRX TBill + 50% OMRX TBond).....1.99%
 Active risk.....1.62%
 Duration, 31 Dec 2015 (years).....0.94
 Interest-rate risk from 1% change in
 interest rate, %.....-0.93%

TURNOVER/COSTS

Rate of turnover (times/year).....0.41
 TTC, Transaction costs (SEKm).....0.00
 percentage of securities traded.....0.00
 SC costs (SEKm).....0.00
 Management fee.....0.70%
 Ongoing charges.....0.72%

COSTS FOR TYPE OF SAVING

Lump-sum deposit SEK 10,000
 Management cost (SEK).....70.38
 Monthly savings SEK 100
 Management cost (SEK).....4.52

TURNOVER THROUGH ASSOCIATED SECURITIES INSTITUTIONS

Percentage of total turnover0.56%

TURNOVER OF FINANCIAL INSTRUMENTS MANAGED BY CATELLA FONDFÖRVALTNING

Percentage of total turnover
 Catella SICAV0.81%

The Fund is an investment fund

Fund inception: 1 February 1999

Opening price: SEK 100

Dividends: From 2013 the fund will pay no dividend.

Management company: Catella Fondförvaltning AB

Corporate registration number of fund: 504400-5147

PPM fund number: 112 755

BALANCE SHEET AND INCOME STATEMENT

BALANCE SHEET, SEKK	31-dec-15	31-dec-14
ASSETS		
Transferable securities (Note 1)	10 405 645	12 116 590
Money market instruments (Note 1)	-	99 981
OTC derivatives with positive market value (Note 1)	39 516	4 783
Fund units (Note 1)		100 188
Total financial instruments with positive market value	10 445 161	12 321 542
Bank balances and other cash and cash equivalents	834 189	283 313
Prepaid expenses and accrued income	62 734	87 058
Other assets	-	6 188
TOTAL ASSETS	11 342 084	12 698 101
LIABILITIES		
OTC derivatives with negative market value (Note 1)	0	9 127
Total financial instruments with negative market value	0	9 127
Accrued expenses and prepaid income	6 938	7 857
Other liabilities	22 640	124 695
TOTAL LIABILITIES	29 578	141 679
NET FUND ASSETS Note 2	11 312 506	12 556 422
MEMORANDUM ITEMS	0	0
INCOME STATEMENT, SEKK		
INCOME AND CHANGES IN VALUE		
Change in value of transferable securities	-415 103	77 522
Change in value of OTC derivatives	-9 915	-63 622
Change in value of money market instruments	-18	1 268
Change in value of fund units	1 647	188
Interest income	254 949	259 983
Net foreign exchange gains and losses	198 984	-11 405
Other income	224	0
TOTAL INCOME AND CHANGES IN VALUE	30 768	263 934
EXPENSES		
Management costs		
Payments to companies conducting fund operations	92 672	69 225
Payments to depositary	2 157	1 496
Interest costs	819	60
Other expenses	32	1
TOTAL EXPENSES	95 680	70 782
PROFIT FOR THE YEAR	-64 912	193 152
Note 2 TO BALANCE SHEET		
CHANGE IN NET FUND ASSETS	31-dec-15	31-dec-14
NET FUND ASSETS AT BEGINNING OF YEAR	12 556 422	6 279 941
Unit sales	5 253 957	9 533 194
Unit redemptions	-6 432 961	-3 449 865
Profit for the year per income statement	-64 912	193 152
NET FUND ASSETS AT END OF PERIOD	11 312 506	12 556 422

FUND'S HOLDINGS OF FINANCIAL INSTRUMENTS

Note Securities	QUANTITY	PRICE	(SEKK)	%
MARKET –LISTED BONDS* Incl coupon				
GOVERNMENT				
Statsobligation lån 1054 220601	50 000 000	118.19	59 092	0.52
Statsobligation lån 1058 250512	20 000 000	113.42	22 684	0.20
Statsobligation lån 1050 160717	20 000 000	101.84	20 368	0.18
Statsobligation lån 1051 170812	20 000 000	106.78	21 355	0.19
Statsobligation lån 1052 190312	20 000 000	114.06	22 812	0.20
			170 890	1.51
OTHER				
AF FRN 200512	60 000 000	99.14	59 485	0.53
Akelius FRN 190327	55 000 000	101.33	55 732	0.49
Aker FRN 190724, Norway	67 000 000	97.00	64 990	0.57
Alfa FRN 190912, EUR	11 000 000	98.82	99 925	0.88
Atrium FRN 171115	45 000 000	100.86	45 387	0.40
Billerud Korsnäs FRN 180327	60 000 000	103.51	62 108	0.55
Boliden FRN 200409	30 000 000	99.38	29 812	0.26
Cargotec 200331, Finland, EUR	7 500 000	102.44	70 628	0.62
Castellum FRN 200313	65 000 000	97.46	63 349	0.56
Citycon FRN 210301, Netherlands, NOK	100 000 000	97.96	93 699	0.83
Cloetta FRN 180917	48 000 000	103.94	49 890	0.44
CLS Holding FRN 160427, Great Britain	52 000 000	100.25	52 130	0.46
Danske Bank 490215, Denmark, GBP	1 000 000	101.65	12 659	0.11
Danske Bank FRN 180403, Denmark	200 000 000	99.62	199 246	1.76
Danske Bank FRN 240605, Denmark	100 000 000	102.74	102 740	0.91
Delarka 201113	60 000 000	104.65	62 790	0.56
DNB Bank 200326, Norway, USD	22 000 000	95.77	178 233	1.58
DNB Bank FRN 200226, Norway, NOK	100 000 000	104.44	99 892	0.88
DNB Nor 490329, Norway, GBP	17 000 000	102.93	217 914	1.93
Dong Energy 200810, Denmark, EUR	15 000 000	96.41	132 933	1.18
FastPartner FRN 190922	50 000 000	99.18	49 590	0.44
Fingrid FRN 181119, Finland	50 000 000	99.71	49 856	0.44
Fortum FRN 180320, Finland	150 000 000	100.32	150 482	1.33
Fortum FRN 190916	77 000 000	99.82	76 862	0.68
Getinge FRN 180521	35 000 000	100.52	35 180	0.31
Gjensidige FRN 441003, Norway, NOK	112 000 000	92.47	99 056	0.88
Handelsbanken 210301, USD	27 000 000	96.96	221 471	1.96
Heimstaden FRN 190916	20 000 000	98.76	19 752	0.17
Hemfosa FRN 170404	60 000 000	99.90	59 940	0.53
Hemsö FRN 200604	240 000 000	97.23	233 345	2.06
Hexagon FRN 191126	150 000 000	100.33	150 501	1.33
Hoist FRN 161218	50 000 000	102.05	51 026	0.45
Husqvarna FRN 171128	75 000 000	102.72	77 043	0.68
ICA Gruppen FRN 190617	170 000 000	100.31	170 524	1.51
Ikano Bank FRN 181114	70 000 000	99.03	69 321	0.61
Ikano Bostad FRN 190325	100 000 000	101.21	101 210	0.89
Kinnevik Investment FRN 171212	120 000 000	102.07	122 489	1.08
Klövern FRN 180404	30 000 000	102.20	30 661	0.27
Kommunal Landspensjonkasse 490411, Norway, EUR	5 000 000	100.79	46 327	0.41
Landshypotek FRN 180427	100 000 000	100.37	100 372	0.89
Leaseplan FRN 200405, Netherlands	100 000 000	96.71	96 710	0.85
Lifco 180403	100 000 000	100.40	100 397	0.89
Länsförsäkringar Bank FRN 191118	100 000 000	98.11	98 105	0.87
Länsförsäkringar Bank FRN 200609	180 000 000	96.21	173 182	1.53
Länsförsäkringar Bank FRN 230328	80 000 000	101.88	81 505	0.72
Millicom FRN 171030, Luxembourg	55 000 000	102.24	56 231	0.50
MTG FRN 180319	100 000 000	100.76	100 758	0.89
Municipality Finance 220401, Finland, EUR	6 500 000	104.50	62 440	0.55
Nibe FRN 200528	44 000 000	99.21	43 653	0.39

Nordax Finanas FRN 160321	48 000 000	100.53	48 252	0.43
Nordea Bank 210913, USD	19 700 000	94.91	158 165	1.40
Nordea FRN 190218	150 000 000	99.77	149 650	1.32
Nordea Hypotek 5529 180620	200 000 000	104.34	208 671	1.84
Nya Svensk Fastighets Finansiering FRN 200309	170 000 000	98.43	167 324	1.48
Nykredit Realkredit 360603, Denmark, EUR	10 000 000	100.31	92 207	0.82
Olav FRN 180528, Norway	80 000 000	99.41	79 531	0.70
Pohjola FRN 250825, Finland	100 000 000	98.30	98 304	0.87
PostNord FRN 190401	100 000 000	99.16	99 160	0.88
Rikshem FRN 180507	70 000 000	99.48	69 637	0.62
Saab FRN 191212	120 000 000	99.40	119 282	1.05
Sagax FRN 200618	55 000 000	96.38	53 006	0.47
Sandvik FRN 210114	200 000 000	99.61	199 210	1.76
Santander FRN 170810, Norway	150 000 000	99.69	149 534	1.32
SBAB 210420	50 000 000	101.44	50 718	0.45
SBAB FRN 191118	100 000 000	98.66	98 662	0.87
SBAB FRN 200422	200 000 000	98.11	196 224	1.73
SBAB FRN 250611	190 000 000	96.86	184 024	1.63
Seadrill FRN 190318, Bermuda	45 000 000	47.52	21 382	0.19
SEB 180620	300 000 000	106.78	320 354	2.83
SEB 490513, USD	12 000 000	98.61	100 107	0.88
SEK 231114, USD	18 030 000	99.17	151 259	1.34
Sparbanken Syd FRN 191021	50 000 000	99.32	49 662	0.44
Sparbanken Öresund FRN 160118	63 000 000	102.98	64 880	0.57
Sponda FRN 160404, Finland	80 000 000	100.40	80 320	0.71
Stadshypotek 1581 181219	200 000 000	107.57	215 131	1.90
Steen FRN 171208, Norway	50 000 000	99.89	49 946	0.44
Stena Metall Finans FRN 201127	40 000 000	100.13	40 053	0.35
Storebrand FRN 180529, Norway, NOK	100 000 000	100.64	96 262	0.85
Storebrand FRN 490331, Norway, NOK	70 000 000	93.73	62 757	0.55
Sveaskog FRN 231030	100 000 000	96.12	96 116	0.85
Swedbank 190619	200 000 000	110.56	221 112	1.95
Swedbank 490317, GBP	7 078 000	100.87	88 917	0.79
Swedbank 490317, USD	11 000 000	100.07	93 115	0.82
Telenor FRN 190319, Norway	152 000 000	99.35	151 007	1.33
TeliaSonera FRN 231108	150 000 000	97.26	145 896	1.29
Teollisuuden FRN 200317, Finland	100 000 000	94.39	94 389	0.83
Trelleborg FRN 210118	100 000 000	98.19	98 186	0.87
Vacse FRN 190603	140 000 000	101.55	142 169	1.26
Vasakronan FRN 200122	100 000 000	97.79	97 792	0.86
Vasakronan FRN 180117	265 000 000	100.47	266 234	2.35
Vattenfall FRN 770319	100 000 000	92.07	92 070	0.81
Vattenfall 220319	185 000 000	91.71	169 672	1.50
Wihlborgs FRN 190218	75 000 000	100.09	75 065	0.66
Willhem FRN 200127	150 000 000	98.18	147 274	1.30
Volvo Treasury FRN 190415	160 000 000	99.87	159 786	1.41
Yara FRN 191218, Norway, NOK	150 000 000	98.10	140 749	1.24
AF FRN 200512	60 000 000	99.14	59 485	0.53
Akelius FRN 190327	55 000 000	101.33	55 732	0.49
Aker FRN 190724, Norway	67 000 000	97.00	64 990	0.57
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DNB Nor 490329, Norway, GBP	17 000 000	102.93	217 914	1.93
Dong Energy 200810, Denmark, EUR	15 000 000	96.41	132 933	1.18
			10 234 755	90.47
TOTAL MARKET-LISTED BONDS			10 405 645	91.98
TOTAL TRANSFERABLE SECURITIES			10 405 645	91.98

OTC DERIVATIVES

FX Forwards				
FXFWD EURSEK 160218 9.2807, Europe, EUR	-55 460 000	9.19	5 018	0.04
FXFWD GBPSEK 160218 12.752, Great Britain, GBP	-26 700 000	12.44	8 362	0.07
FXFWD NOKSEK 160218 0.9819, Norway, NOK	-615 690 000	0.95	16 687	0.15
FXFWD USDSEK 160218 8.5378, USA, USD	-108 300 000	8.45	9 449	0.08
			39 516	0.35
TOTAL OTC DERIVATIVES			39 516	0.35
OTC DERIVATIVES WITH POSITIVE MARKET VALUE			39 516	0.35
OTC DERIVATIVES WITH NEGATIVE MARKET VALUE			0	0.00

TOTAL HOLDINGS OF FINANCIAL INSTRUMENTS			10 445 161	92.33
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OTHER ASSETS AND LIABILITIES			867 345	7.67
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TOTAL			11 312 506	100.00
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* Financial instruments admitted to trading on a regulated market or equivalent market - outside EEA.

SUMMARY, ISSUERS*

ISSUER	% of net fund assets*
SEB AB	11.43
SBAB Bank AB	4.68
DnB Bank ASA	4.39
Danske Bank A/S	2.78
Nordea Bank AB	2.72
Vattenfall AB	2.31

* The table shows the total percentage share of the net fund assets per issuer in those cases the fund holds more than one type of security issued by the same issuer.

ADDITIONAL DISCLOSURES, FINANCIAL INSTRUMENTS

Financial instruments expected to be admitted to trading on a regulated market within one year of issue are:

Amer Sport FRN 181106

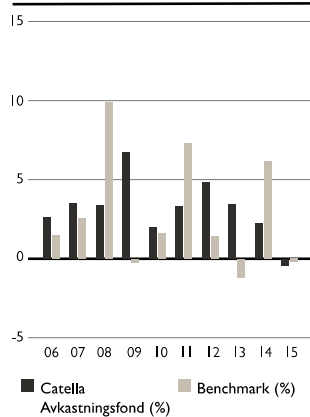
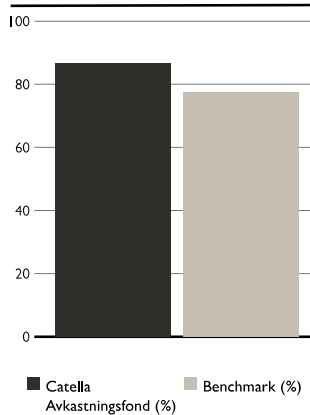
Stena Metall Finans FRN 201127

COUNTERPARTIES FINANCIAL DERIVATIVE TRANSACTIONS

COUNTERPART	Collateral received
SEB	0

HISTORICAL FUND ASSET, NET ASSET VALUE, NUMBER OF UNITS AND DIVIDENDS

Date	Dividend	Unit Value	No of	Net fund assets
	SEK/unit	SEK	units	SEKk
061231	2.19	113.22	4 637 235	525 033
071231	3.40	113.70	4 162 547	473 268
081231	4.95	112.49	3 305 270	371 804
091231	2.60	117.32	9 829 838	1 153 253
101231	1.89	117.74	18 024 405	2 122 222
111231	3.68	117.94	15 701 555	1 851 768
121231	3.27	120.26	25 119 593	3 020 900
131231	0.00	124.40	50 483 539	6 279 941
141231	0.00	127.17	98 740 463	12 556 422
151231	0.00	126.61	89 352 751	11 312 506

YIELD SINCE INCEPTION

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TRADE IN DERIVATIVES

In accordance with its fund rules, the fund may trade in derivatives as part of its investment strategy and aims to create leverage in the fund. Leverage means that the fund's investment scope is greater than the investment scope consequent upon capital contributed by unit holders.

During the period the fund did not exercise its right to issue securities lending.

Derivatives used during the period have been currency forward contracts to reduce currency risk.

Leverage calculated as the sum of the derivative instruments' underlying exposed gross values

Maximum leverage	Minimum leverage	Average leverage
27.07%	0.00%	20.61%

Risk assessment method for the calculation of total exposures: Commitment method

Your share of the fund's costs

In the account statements you received from us in January 2016 we reported your share of the fund's costs for 2015. Management costs are your share of the fund's expenses in 2015 for management, accounting, information, marketing, auditing, and fees to the depositary.

Other costs are your share of the fund's expenses for securities trading such as analysis and brokerage fees.

Total costs are the sum of the two expenses above.

You cannot deduct these costs in your tax return since the fund does this in its own return.

Accounting policies

The fund apply the Swedish Investment Funds Act (SFS 2004:46), and the regulations of Finansinspektionen (the Swedish Financial Supervisory Authority) FFFS 2013:9, the guidelines of Fondbolagens förening (the Swedish Investment Fund Association) for accounting of investment funds and the guidelines of ESMA.

Fund holdings in the fund balance sheets have been recognised at market value at December 31, 2015. The market value is the closing price. Various valuation methods are used to determine the market value depending on the financial instrument and the market in which the instrument is traded. The last reported net asset value per unit is used to determine the value of fund units. The last price paid is normally used to determine the value of market-listed instruments and other instruments that are actively traded on an established market. The last bid and/or ask price is normally used to determine the value of instruments other than those referred to in the preceding sentence. If the management company deems the aforementioned valuation methods to be misleading, value will be determined based upon other objective grounds. Objective grounds refers to valuation based upon available information on the last price paid in relation to external transactions in instruments or an indicative bid price from a market maker, if a market maker has been appointed by the issuer. If such information is unavailable or is deemed unreliable by Catella, market value is determined according to generally accepted valuation models based on information from independent brokers or other external independent sources.

Exchange rates are the closing prices on December 31, 2015.

EUR	9.1925
GBP	12.4535
NOK	0.9565
USD	8.4594

Tax rules for unit holders

The Fund is a separate taxable entity, but since 1 January 2012 is not subject to tax on the income of the assets included in the Fund. Now, instead, the unit holders are taxed using a standard income (see below).

Capital gains tax

Individuals who are fully taxable in Sweden should report capital gains and capital losses on the divestment of units in the Fund as income from capital at a tax rate of 30 percent. Divestment includes sales and redemptions. The same rules apply to estates on condition that the deceased was fully taxable in Sweden.

Capital gains and capital losses are calculated as the difference between the sale price (less any fees) and the tax basis amount. The tax basis amount is the purchase price paid for the divested fund units. The tax basis amount is normally calculated using the average cost method.

Taxation of capital gains and capital losses is dependent on the type of fund and on whether the units are market-listed or unlisted. Generally a fund unit is considered to be market-listed if it is open for trading or redemption at least every ten days. If the fund is open for trading or redemption less often the fund units are considered to be unlisted. A fund unit that is registered or listed on a Swedish or foreign exchange is always market-listed regardless of turnover.

Capital gains on the divestment of units in the Fund are taxable in full. The following generally applies to the ability to deduct a capital loss on units in the Fund.

Market-listed units in equity funds

A capital loss is fully deductible against both gains on market-listed securities (except for units in fixed-income funds) and gains on unlisted shares. Securities include shares, units in securities funds and special funds and other financial instruments taxed as equities. Any remaining loss is deductible at 70 percent against other capital gains (e.g. interest and dividends).

Unlisted units in equity funds

Capital losses are deductible at 70 percent against any capital gains, including for example interest and dividends.

Market-listed units in fixed-income funds

A capital loss is fully deductible against any capital gains. This is now also applies to foreign market-listed fixed-income funds.

Tax reduction

In cases where there remains a capital loss after deduction against capital gains, a deficit arises. A tax reduction of 30 percent is allowed for deficits. If the deficit is greater than SEK 100,000, however, a tax reduction of only 21 percent is allowed for the deficit amount in excess of SEK 100,000.

Standard taxation

From income year 2012, individuals who are fully taxable in Sweden and who own units in the Fund must report a standard income of 0.4 percent of the value of the fund holding at the beginning of the year. The standard income should be reported as income from capital at 30 percent tax, which implies an effective tax levy on the value of the fund of $(0.4 \times 0.3 =) 0.12$ percent per year. The same rules apply to estates on condition that the deceased was fully taxable in Sweden.

Miscellaneous

If the Fund is linked to an investment savings account, endowment, IPS or premium pension, special tax rules apply. For legal persons and foreign unit holders, other special tax rules apply.

Statements for tax returns

The fund management company provides statements for tax returns showing gains and losses from the sale or redemption of units in the Fund, standard income and any dividends. Statements are provided for individuals and Swedish estates.

OUR OWNERSHIP POLICY

1. Introduction

Chapter 15, Section 9 of Swedish Financial Supervisory Authority (Finansinspektionen) Regulations regarding investment funds and Article 37 of the EU Commission Delegated Regulation, require the board of directors of a fund management company and an alternative investment fund manager to adopt internal rules specifying the strategies the company shall apply to determine when and how voting rights linked to the financial instruments included in each fund are to be exercised.

The purpose of this document is to present how Catella Fondförvaltning AB (“Catella Fonder”) exercises its shareholder influence, including how and in what situations the voting rights linked to investments made within the context of the company’s business shall be exercised. The fundamental precept in all situations is that Catella Fonder shall act solely in the joint interests of fund unit holders and that voting rights shall be exercised to the exclusive benefit of each fund. The objective is that the funds should generate the highest possible return. The ownership role is exercised so as to maximise the long term value of portfolio companies and thus fund units. Fund assets are not included in the balance sheet of Catella Fonder and unit holders may at any time withdraw their money from the funds. It is therefore essential that Catella Fonder is able to sell its shares as necessary and without delay.

2. Policy for exercising shareholder influence

Catella Fonder invests on behalf of the funds, primarily in equities, bonds and other debt instruments and derivative instruments. The development of companies in which Catella Fonder invests is continuously monitored and if a company's development gives reason for discontent, Catella Fonder may elect to express this discontent by selling its holding, engaging in dialogue with management or exercising influence through the rights conferred by the funds' ownership.

As a shareholder, Catella Fonder shall actively intervene in a portfolio company, either independently or jointly with other shareholders, if in the judgement of Catella Fonder it is possible thereby to create financial added value for unit holders. The potential to create added value varies among portfolio companies and depends upon factors including the size of the funds' holding, the funds' potential return from the holding, what opportunities exist for improving governance of the portfolio company and the ownership structure of the portfolio company in other respects.

3. Attendance at general meetings

Catella Fonder shall normally attend general meetings of the companies in which the funds are major shareholders as well as the general meetings of other companies at which key issues are raised, and shall exercise its voting rights at these meetings. Catella Fonder considers itself a "major shareholder" if the funds own 5 percent or more of equity and/or voting rights in a portfolio company. Depending upon the ownership structure in other respects and existing opportunities for owner cooperation, Catella Fonder may also actively intervene in other portfolio companies.

4. Participation in nominating committees, etc.

If it is possible in Catella Fonder's judgement to create added value for unit holders, Catella Fonder may exercise shareholder influence by having representatives on the nominating committees of portfolio companies. In exceptional cases, Catella Fonder may also appoint representatives to the boards of directors of portfolio companies. Decisions to nominate representatives to the nominating committee or board of directors of a portfolio company are at the discretion of the CEO of Catella Fonder.

5. Exercising voting rights and monitoring corporate actions

1. There are several companies within the Catella group ("Catella") that invest on their own behalf or on behalf of clients. Operations within Catella Fonder are clearly separated from these other operations, and Catella Fonder shall therefore in exercising its voting rights consider only the best interests of unit holders, irrespective of any interests Catella may otherwise have in the company concerned. However, this does not preclude that coordinated action between Catella Fonder and another Catella company (or, for that matter, an external owner) concerning specific matters may be deemed to the benefit of unit holders. When Catella Fonder exercises its voting rights, it does so in accordance with the investment objectives and policy of each fund as set forth in the fund rules for each respective fund. When Catella Fonder exercises its voting rights, an assessment is made in every instance as to whether any conflict of interest may arise for the fund or fund unit holders and, if so, how such conflicts should be managed.
2. The fund manager is ultimately responsible for monitoring corporate actions and for ensuring that the fund votes at general meetings in accordance with the investment objectives and policy. However, Catella Fonder applies the fundamental precept that all funds must be in consensus concerning important matters affecting the company's operations. To this end, Catella Fonder has appointed an ownership representative who, in consultation with fund managers, decides how the fund shall vote at general meetings. The ownership representative in turn reports to the CEO of Catella Fonder and ultimately to the Board of Directors.
3. The foregoing policy that each fund manager is responsible for that a fund votes in accordance with the fund's investment policy ensures that conflicts of interest are managed.

4. Catella Fonder may, if deemed appropriate, issue a proxy to a third party to represent Catella Fonder at general meetings. Such a proxy shall be preceded by the same preparatory work as if Catella Fonder itself, through an employee, were to be represented at the meeting.

Upon request and free of charge, Catella Fonder will subsequently report to unit holders its positions on key individual ownership issues and the underlying rationale in each case.

6. Information policy concerning social and environmental responsibility and governance

Catella Fonder has taken a clear ethical position by becoming a signatory to UNPRI (United Nations Principles for Responsible Investment), preparing an ethics policy and reporting our ethics programme. This is the framework of our ethical profile. Initiated at our own volition, in combination with the preferences of our clients, this has resulted in the integration of social and environmental responsibility and governance aspects in our fund management operations. The policy applies to Catella Fonder's equity funds, except Catella Sverige Index, and their Nordic equity holdings. However, equity holdings held for less than one (1) month are exempt.

7. Management of insider information in the exercise of shareholder influence

Catella Fonder's mandate in connection with the management of investment funds and alternative investment funds is to act exclusively in the joint interests of unit holders. Accordingly, Catella shall as far as possible avoid restrictions to fund management. Catella therefore avoids, to the greatest possible extent, accessing information that affects prices and which is not generally known or is non-public (insider information), or accessing information bordering on insider information, that is, grey zones, referred to generally as "insider situations." Despite this, Catella will from time to time find itself in insider situations. Policies are in place to manage these situations, including that the group of individuals informed about the insider situation must be restricted as far as possible and that Catella Fonder must take action to prevent employees from using the information for personal gain or in the company's operations.

Please direct any questions concerning Catella Fonder's ownership policy to the company's ownership representative or the CEO.

This ownership policy has been prepared in accordance with the "Guidelines for investment fund managers as shareholders" issued by the Swedish Investment Fund Association.

Swedish code of conduct for fund management companies

Catella Fondförvaltning AB (the Company) is a member of the Swedish Investment Fund Association. Through its "Swedish Code of Conduct for fund management companies", the Association summarises the overall principles that apply when conducting fund management activities in Sweden. The Code is designed to promote sound fund activities and thereby to safeguard public confidence in the industry. The Company complies with the Code. All fund managers, executive management, employees in Risk and Compliance, and those responsible for Business Support and Sales etc. at the Company are licensed by SwedSec. The Company has also ensured that half of the board of directors comprises independent members.

Disclosures in accordance with the Swedish code of conduct for fund management companies

Remuneration to the staff of the fund management company comprises salary and bonuses related to the performance of the Company.

Information on remuneration

Information on remuneration for Catella Fondförvaltning AB is provided on the website (www.catella.se/fonder) and in the Company's annual report for 2015. Unit holders that wish to have Catella Fondförvaltning AB's annual report sent to them are requested to contact us by calling +46 8 614 25 00.

Related-party transactions

Trading with Nordic Fixed Income AB has been conducted in fixed-income securities, as detailed in the fund's "Facts about the fund".

Board of directors of Catella Fondförvaltning AB
 Knut Pedersen, Chairman, CEO Catella AB (publ)
 Lars H. Bruzelius, Senior Partner BSI & Partners
 Peter Friberg, Head of Operations S:t Lukas in Uppsala
 Johan Nordenfalk, Chief Legal Officer Catella AB (publ)
 Thomas Raber, Managing Director Alvine Capital Management Ltd
 Ando Wikström, CFO Svenska Hyreshus AB (SHH)

Risk

Total risk

The traditional way to measure the price volatility of a fund, or the risk of losing money, is to measure how much the fund's returns have varied. If a fund has a high total risk (for example, an equity fund), the returns have varied more than for a fund with low total risk (for example, a fixed income fund with short term to maturity on interest-bearing assets). However, risk and return are linked, and a higher risk may yield a higher return. The value of total risk indicates the range within which the annual return should end up (with 66 percent probability), which means that a fund with an average return of 5 percent and a total risk of 2 percent indicates that the fund's annual return should be between 3 percent and 7 percent (5 percent \pm 2 percentage points).

In this respect, Catella follows the recommendation of the Swedish Investment Fund Association to use 24 monthly values in this measurement. Another name for the total risk is standard deviation, calculated on an annual basis, or volatility. The total risk in a fund gives an indication of the historical risk level of the fund, but is not a secure forecasting tool. A fund category or fund that has previously had low total risk may, in fact, be risky and lead to price losses if, for example, the stock market is about to decline due to, for example, an economic downturn. Of course, the opposite is also true.

Active risk

Another type of risk is that the fund performs better or worse than the assets on the market in which it invests. Investors buying an equity fund of, for example, Swedish equities, will probably want to check how much risk the fund has had in its investments compared to the index it is benchmarked against. One measure of this is the active risk, also called tracking error. This measurement indicates how "closely" the fund follows its benchmark index. A high active risk indicates that the fund differs significantly from its index. Unlike correlation, active risk is dependent not only on the direction of return but also the magnitude. This means that a fund with a small proportion of equities and the remainder in bonds may still have a correlation of 1 to the stock exchange, but it would still have a high active risk against the stock market. Active risk is calculated as the standard deviation of the relative returns compared to the benchmark. Catella also uses monthly values (24 months) in the calculation of active risk.

Duration

Duration is the most common measure of interest-rate risk, and indicates the average term to maturity of the fund's fixed-income securities. The higher the duration, the more sensitive the fund is to changes in interest rates. Duration is normally expressed in years. The fund duration is presented for all Catella funds that have investments in fixed-income securities. The measure of duration used in the annual report is the "effective duration", which takes into account the period of fixed interest and optionality for, for example, FRNs and callable bonds.

Interest-rate risk for a 1 percentage change in interest rates

The interest-rate risk for a 1 percentage point change in interest rates shows how much the fund's value would decrease (or increase) if the interest rate were to rise by 1 percentage point across the entire yield curve, i.e. the interest rate rises by 1 percentage point on all maturities. This measure is presented for all Catella funds that have holdings in fixed-income securities.

Catella Avkastningsfond, corporate registration number 504400-5147

Catella Fondförvaltning AB
Stockholm, 15 February 2016

Knut Pedersen
Chairman

Erik Kjellgren
CEO

Lars H. Bruzelius

Peter Friberg

Johan Nordenfalk

Thomas Raber

Ando Wikström

Our auditor's report was submitted 15 February 2016

PricewaterhouseCoopers AB

Daniel Algotsson
Authorised Public Accountant

Auditor's report

To the unit holders of Catella Avkastningsfond
Corporate registration number 504400-5147

Report on the Annual Report

In our capacity as auditors of Catella Fondförvaltning AB, corporate registration number 556533-6210, we have conducted an audit of the annual report of the Catella Avkastningsfond for 2015.

Responsibilities of the management company for the annual report

The management company is responsible for the preparation and fair presentation of this annual report in accordance with the Investment Funds Act and the regulations of Finansinspektionen regarding investment funds and for such internal control as the management company determines is necessary to enable the preparation of an annual report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this annual report based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the management company's preparation and fair presentation of the annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the management company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management company, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual report has been prepared in accordance with the Investment Funds Act and the regulations of Finansinspektionen regarding investment funds and provides in all material respects a true and fair view of the Catella Avkastningsfond:s results and financial position.

Report on other legal and regulatory requirements

In addition to our audit of the annual report, we have also audited the management company's administration of the Catella Avkastningsfond for the year 2015.

Responsibilities of the management company

The management company is responsible for administration under the Investment Funds Act and the fund rules.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the administration based on our audit.

We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the administration in addition to our audit of the annual report we examined significant decisions, actions taken and circumstances of the fund in order to determine whether the management company has acted in contravention of the Investment Funds Act or the fund rules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the management company has not acted in contravention of the Investment Funds Act or the fund rules.

Stockholm, 15 February 2016 PricewaterhouseCoopers AB

Daniel Algotsson Authorised Public Accountant